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## ENGROSSED SUBSTITUTE SENATE BILL 5748

State of Washington 62nd Legislature 2011 Regular Session

By Senate Agriculture & Rural Economic Development (originally sponsored by Senators Rockefeller, Honeyford, and Chase)

READ FIRST TIME 02/15/11.

- AN ACT Relating to cottage food operations; amending RCW 69.07.010,
- 2 69.07.040, and 69.07.080; and adding a new section to chapter 69.07
- 3 RCW.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 69.07 RCW 6 to read as follows:
- 7 (1) A cottage food operation licensed by the department is exempt 8 from prohibitions against the use of a home kitchen under provisions of 9 rules adopted by the department or the Washington state food service 10 code.
  - (2) A cottage food operation licensed by the department is not subject to permitting and inspection by local health jurisdictions under the Washington state food service code except in response to a foodborne outbreak or other public health emergency.
- 15 (3) A cottage food operation must package and properly label for 16 sale to the consumer any food it produces, and the food may not be 17 repackaged or used as an ingredient in other foods by a food processing 18 plant or food service establishment.

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- 1 (4) A cottage food operation must place on the label of any food it 2 produces or packages, at a minimum, the following information:
- 3 (a) The name and address of the business of the cottage food 4 operation;
  - (b) The name of the cottage food product;
- 6 (c) The ingredients of the cottage food product, in descending 7 order of predominance by weight;
  - (d) The net weight or net volume of the cottage food product;
- 9 (e) Allergen labeling as specified by federal labeling 10 requirements;
- 11 (f) If any nutritional claim is made, appropriate labeling as 12 specified by federal labeling requirements;
- 13 (g) The following statement printed in at least the equivalent of 14 eleven-point font size in a color that provides a clear contrast to the 15 background: "Made in a home kitchen."
- 16 (5) Cottage food products may not be sold by internet or mail order 17 or for resale outside the state.
  - (6) The gross sales of cottage food products may not exceed ten thousand dollars annually. The determination of the ten thousand dollar annual gross sales shall be computed on the basis of the amount of gross sales within or at a particular domestic residence and shall not be computed on a per person basis within or at that domestic residence. The department may request in writing documentation to verify the annual gross sales figure.
  - (7) Cottage food products must be stored only in the primary domestic residence.
- 27 (8) This section does not affect the application of any other state 28 or federal laws or any applicable ordinances enacted by any local unit 29 of government.
- 30 **Sec. 2.** RCW 69.07.010 and 1992 c 34 s 3 are each amended to read 31 as follows:
- ((For-the-purposes-of)) The definitions in this section apply
  throughout this chapter((÷)) unless the context clearly requires
  otherwise.
- 35 (1) "Department" means the department of agriculture of the state of Washington( $(\dot{\tau})$ ).
  - (2) "Director" means the director of the department( $(\dot{\tau})$ ).

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(3) "Food" means any substance used for food or drink by any person, including ice, bottled water, and any ingredient used for components of any such substance regardless of the quantity of such component( $(\dot{\tau})$ ).

- (4) "Sale" means selling, offering for sale, holding for sale, preparing for sale, trading, bartering, offering a gift as an inducement for sale of, and advertising for sale in any media( $(\div)$ ).
- (5) "Food processing" means the handling or processing of any food in any manner in preparation for sale for human consumption: PROVIDED, That it shall not include fresh fruit or vegetables merely washed or trimmed while being prepared or packaged for sale in their natural state( $(\dot{\tau})$ ).
- (6) "Food processing plant" includes but is not limited to any premises, plant, establishment, building, room, area, facilities and the appurtenances thereto, in whole or in part, where food is prepared, handled or processed in any manner for distribution or sale for resale by retail outlets, restaurants, and any such other facility selling or distributing to the ultimate consumer: PROVIDED, That, as set forth herein, establishments processing foods in any manner for resale shall be considered a food processing plant as to such processing  $(\dot{\tau})$ .
- (7) "Food service establishment" shall mean any fixed or mobile restaurant, coffee shop, cafeteria, short order cafe, luncheonette, grill, tearoom, sandwich shop, soda fountain, tavern, bar, cocktail lounge, night club, roadside stand, industrial-feeding establishment, retail grocery, retail food market, retail meat market, retail bakery, private, public, or nonprofit organization routinely serving food, catering kitchen, commissary or similar place in which food or drink is prepared for sale or for service on the premises or elsewhere, and any other eating or drinking establishment or operation where food is served or provided for the public with or without charge.

For the purpose of this chapter any custom cannery or processing plant where raw food products, food, or food products are processed for the owner thereof, or the food processing facilities are made available to the owners or persons in control of raw food products or food or food products for processing in any manner, shall be considered to be food processing plants( $(\div)$ ).

37 (8) "Person" means an individual, partnership, corporation, or 38 association.

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- (9) "Cottage food operation" means a person who produces cottage food products only in the home kitchen of that person's primary domestic residence in Washington and only for sale directly to the consumer.
  - (10) "Cottage food products" means nonpotentially hazardous baked goods; jams, jellies, preserves, and fruit butters as defined in 21 C.F.R. Sec. 150; and other nonpotentially hazardous foods identified by the department in rule.
- 9 (11) "Domestic residence" means a single-family dwelling or an area 10 within a rental unit where a single person or family actually resides. 11 Domestic residence does not include:
- 12 <u>(a) A group or communal residential setting within any type of</u>
  13 structure; or
- 14 (b) An outbuilding, shed, barn, or other similar structure.

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- 15 (12) "Home kitchen" means a kitchen primarily intended for use by
  16 the residents of a home. It may contain one stove or oven, which may
  17 be a double oven, designed for residential use.
- 18 (13) "Potentially hazardous food" means foods requiring temperature
  19 control for safety because they are capable of supporting the rapid
  20 growth of pathogenic or toxigenic microorganisms, or the growth and
  21 toxin production of Clostridium botulinum.
- 22 (14) "Washington state food service code" means food safety rules 23 adopted by the state board of health under the authority of chapter 24 43.20 RCW.
- 25 **Sec. 3.** RCW 69.07.040 and 1995 c 374 s 21 are each amended to read as follows:

27 It shall be unlawful for any person to operate a food processing plant or process foods in the state without first having obtained an 28 annual license from the department, which shall expire on a date set by 29 30 rule by the director. License fees shall be prorated where necessary 31 to accommodate staggering of expiration dates. Application for a license shall be on a form prescribed by the director and accompanied 32 by the license fee. The license fee is determined by computing the 33 gross annual sales for the accounting year immediately preceding the 34 license year. If the license is for a new operator, the license fee 35 36 shall be based on an estimated gross annual sales for the initial 37 license period.

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1	If gross annual sales are:	The license fee is:
2	\$0 to \$10,000, Cottage food	
3	operation only	\$30.00
4	\$0 to \$50,000	\$55.00
5	\$50,001 to \$500,000	\$110.00
6	\$500,001 to \$1,000,000	\$220.00
7	\$1,000,001 to \$5,000,000	\$385.00
8	\$5,000,001 to \$10,000,000	\$550.00
9	Greater than \$10,000,000	\$825.00

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Such application shall include the full name of the applicant for the license and the location of the food processing plant he or she intends to operate. If such applicant is an individual, receiver, trustee, firm, partnership, association or corporation, the full name of each member of the firm or partnership, or names of the officers of the association or corporation shall be given on the application. application shall further state the principal business address of the applicant in the state and elsewhere and the name of a person domiciled in this state authorized to receive and accept service of summons of legal notices of all kinds for the applicant. The application shall also specify the type of food to be processed and the method or nature of processing operation or preservation of that food and any other necessary information. Upon the approval of the application by the director and compliance with the provisions of this chapter, including the applicable regulations adopted hereunder by the department, the applicant shall be issued a license or renewal thereof.

Licenses shall be issued to cover only those products, processes, and operations specified in the license application and approved for licensing. Wherever a license holder wishes to engage in processing a type of food product that is different than the type specified on the application supporting the licensee's existing license and processing that type of food product would require a major addition to or modification of the licensee's processing facilities or has a high potential for harm, the licensee shall submit an amendment to the current license application. In such a case, the licensee may engage in processing the new type of food product only after the amendment has been approved by the department.

If upon investigation by the director, it is determined that a person is processing food for retail sale and is not under permit,

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- 1 license, or inspection by a local health authority, then that person
- 2 may be considered a food processor and subject to the provisions of
- 3 this chapter. The director may waive the licensure requirements of
- 4 this chapter for a person's operations at a facility if the person has
- 5 obtained a milk processing plant license under chapter 15.36 RCW to
- 6 conduct the same or a similar operation at the facility.
- 7 **Sec. 4.** RCW 69.07.080 and 1969 c 68 s 3 are each amended to read 8 as follows:
- 9 (1) For purpose of determining whether the rules adopted pursuant to RCW 69.07.020, as now or hereafter amended are complied with, the 10 11 department shall have access for inspection purposes to any part, 12 portion or area of a food processing plant or cottage food operation, and any records required to be kept under the provisions of this 13 chapter or rules ((and - regulations)) adopted hereunder. 14 inspection shall, when possible, be made during regular business hours 15 16 or during any working shift of said food processing plant or cottage 17 food operation. The department may, however, inspect such food processing plant or cottage food operation at any time when it has 18 received information that an emergency affecting the public health has 19 20 arisen and such food processing plant or cottage food operation is or
- 22 (2) The department may apply for an administrative inspection
  23 warrant to a court of competent jurisdiction and an administrative
  24 inspection warrant may be issued where:

may be involved in the matters causing such emergency.

- (a) The department has attempted an inspection under this chapter and access to all or part of the regulated business or entity has been actually or constructively denied; or
- 28 <u>(b) There is reasonable cause to believe that a violation of this</u>
  29 <u>chapter or of rules adopted under this chapter is occurring or has</u>
  30 <u>occurred.</u>

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